GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3727
ANSWERED ON:25.08.2011
SFIO
Kodikunnil Shri Suresh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government proposes to give more powers to the Serious Fraud Investigation Office (SFIO) and create public awareness about companies with get rich quick schemes;

(b) if so, the details thereof; and

(c) the steps taken by the Union Government to bring an awareness among general public about online or offline fraudulent methods adopted by unregistered companies which defraud innocent public by making tall claims?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

(a) to (c) Yes, Madam. Keeping in view the recommendations made by Vepa Kamesam committee, it is proposed to give statutory recognition to SFIO. Besides, powers such as treating its investigation report as a report filed by a Police Officer, giving SFIO power to issue letter of requests (letter Rogatory) in cases involving companies having business/interests outside the country and definitio of the term 'fraud' alongwith its punishment are also proposed to be included, subject to due approvals, in the revised Companies Bill for strengthening its enforcement framework. The Ministry has been organizing Investor awareness workshops and seminars in partnership with the Institute of Chartered Accountants of India (ICAI), Institute of Cost and Works Accountants of India (ICWAI) and Institute of Company Secretaries of India (ICSI) and trade chambers throughout the country to bring awareness amongst the general public for assisting in taking appropriate investment decisions. It has also been taking up print media campaigns and issue of advertisements in leading national and regional vernacular newspapers in form of advisory to the potential investors to be careful before making any deposit/investment in collective schemes of any entity either through online or offline.